

Greenberg Traurig

Victoria W. Counihan
Tel. 302.661.7377
Fax 302.661.7360
CounihanV@gtlaw.com

February 6, 2006

VIA ECF AND HAND DELIVERY

The Honorable Joseph J. Farnan, Jr.
United States District Court
District of Delaware
844 King Street
Wilmington, DE 19801

Re: Magten Asset Management Corp., et al. v. NorthWestern Corp.,
C.A. No. 04-1494-JJF
Magten Asset Management Corp. v. Paul Hastings Janofsky & Walker,
LLP, C.A. No. 04-1256-JJF
Magten Asset Management Corp. v. Mike J. Hanson and Ernie J. Kindt,
C.A. No. 05-0499-JJF

Dear Judge Farnan:

This firm is co-counsel to NorthWestern Corporation ("NorthWestern"), along with the firm of Curtis, Mallet-Prevost, Colt & Mosle LLP, in connection with C.A. No. 04-1494-JJF, referenced above.

Pursuant to Your Honor's Order dated January 25, 2006, we write to confirm that the appointment of John E. James, Esq. as Special Master in connection with the three above-referenced actions is acceptable to NorthWestern. However, we note that the appointment of a Special Master could entail significant additional expense for the parties, particularly given the extraordinary breadth of the discovery requests already propounded by the Plaintiffs. Therefore, we respectfully request that the appointment of a Special Master await a decision on NorthWestern's pending motion for a protective order pursuant to FRCP 26(c). In that motion, NorthWestern seeks to have discovery limited to the sole remaining issue in Plaintiffs' action against NorthWestern, that is, whether in the context of the Going Flat Transaction, The Bank of New York as Indenture Trustee was defrauded into executing the Third Supplemental Indenture, which replaced Clark Fork & Blackfoot LLC as obligor on the QUIPS. Based on the August 2004 Decision of the Bankruptcy Court, unless Plaintiffs can show such fraud, their claims cannot go forward. NorthWestern has proposed the production of documents and a deposition of The Bank of New York limited to this single issue, followed immediately by a motion for summary judgment. Should the Court grant NorthWestern's Rule 26(c) motion, the appointment of a Special Master may prove unnecessary.

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We also take issue with the assertion in Magten's February 6, 2006 letter to the Court that NorthWestern's Rule 26(c) motion is somehow inconsistent with its proposed discovery schedule. NorthWestern's proposal was based on what we believe would be necessary should the Plaintiffs be permitted to conduct the broad-ranging discovery which they have sought in the past and which they continue to seek. Certainly, if NorthWestern's motion for a protective order is granted, as we believe it should be, that schedule would be unnecessary. Furthermore, as required by Rule 26(c), counsel for NorthWestern sought Plaintiffs' agreement to the proposal that discovery be limited to the sole remaining issue in the case. Plaintiffs' counsel rejected that proposal out of hand.

If Your Honor has any questions with regard to the foregoing, please contact me or Joseph D. Pizzurro, Esq., 212-696-6196.

Respectfully Submitted,



Victoria W. Counihan

cc: Clerk of Court (Via ECF)
Dale R. Dube, Esq. (Via E-Mail: dube@blankrome.com)
Bonnie Steingart, Esq. (Via E-Mail: steinbo@friedfrank.com)
Gary L. Kaplan, Esq. (Via E-Mail: kaplaga@friedfrank.com)
Kathleen M. Miller, Esq. (Via E-Mail: kmiller@skfdelaware.com)
Bijan Amini, Esq. (Via E-Mail: bamini@samlegal.com)
Amanda Darwin, Esq. (Via E-Mail: adarwin@nixonpeabody.com)
John V. Snellings, Esq. (Via E-Mail: jsnellings@nixonpeabody.com)
Stanley T. Kaleczyc, Esq. (Via E-Mail: stan@bkbh.com)
Kimberly Beatty, Esq. (Via E-Mail: kim@bkbh.com)
Denise Seastone Kraft, Esq. (Via E-Mail: dkraft@edwardsangell.com)
Paul Spagnoletti, Esq. (Via E-Mail: paul.spagnoletti@dpw.com)
Joseph D. Pizzurro, Esq. (Via e-Mail: jpizzurro@cm-p.com)
Steven J. Reisman, Esq. (Via E-Mail: sreisman@cm-p.com)